



THE Q3 2017 SPROUT SOCIAL INDEX

Call-Out Culture: People, Brands & the Social Media Power Struggle

46%

of consumers have used social to
"call out" brands

4 in 5

consumers think social has
increased accountability for
businesses

55%

of consumers call out brands on
social to get a resolution or
response

Social has sparked a culture of calling out businesses, whether we see it in the form of a friend's angry rant about their contractor or the latest video of a scorned customer on the evening news. Consumers are taking it upon themselves to highlight and amplify brands' bad behavior for the world to see.

Situations involving bad customer service and rude employees no longer take place in isolation. The prevalence of social media now ensures that every unhelpful, insensitive or downright inappropriate interaction has the potential to go viral for the world to see. And we've all seen the aftermath.

But how prevalent is this culture for the everyday consumer, what impact does it have on others' purchasing decisions and what can a brand do to turn it around? To answer these questions, Sprout Social surveyed more than 1,000 consumers to find out.



Culture of Accountability

For years we've discussed how social democratizes influence. Whether it's a teenager using his **Twitter following for free chicken nuggets** or a brand-boycotting coalition, like **#GrabYourWallet**, social proves time and time again that you don't need an ad buy or a household name to have a voice and impact change.

In the same vein, social levels the playing field in terms of accountability—especially for businesses. Angry complaints that were previously seen by a few people behind closed doors are now broadcast to millions. Any customer, regardless of money or status, has the opportunity to take a brand to task with 140 characters.

It's clear that people recognize that power. In fact, **81% say that social media has increased accountability for businesses.**

Percentage of Consumers Who Believe Social Has Increased Accountability for Brands

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When we asked how social has driven that accountability, people highlighted the power dynamic between individuals and brands, with 80% saying that social helps uncover instances of businesses treating people unfairly and 65% noting the power of social to amplify issues, not only through posting your own complaints but through sharing others' posts.

Ways in Which Consumers Believe Social Has Increased Accountability for Brands

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Sprout Stance:

While in the past, consumers may have felt powerless to stand up to businesses alone, social has given people a platform to share their stories and enlist the help of the public to demand resolution or even restitution. Even a single, seemingly isolated issue has the power to spur thousands of retweets, memes, comments and hashtagged posts. Brands must commit to delivering consistent, quality content and service—online and off—regardless of how big or small an issue may seem. And when they make mistakes, the need for honesty and transparency is greater than ever.

Many brands choose to ignore, deny or spin a call-out. But you would be surprised to see just how far acknowledging your mistake and accepting responsibility can go in redeeming public opinion. Such was the case when the UK-based **BrewDog**, a brewery and distillery, faced social media backlash after taking legal action against a family-owned Birmingham pub for bearing the same name as their popular gin, “LoneWolf.” In response to criticism that BrewDog was acting like a corporate bully, the company’s co-founder released a swift, humble apology. Not only did BrewDog revoke the lawsuit, they also offered to cover all of the bar’s legal costs and even invited the bar’s employees to visit their brewery and make their own special batch of gin. Their quick response changed the media narrative from “selfish and greedy” to “generous and humble.”



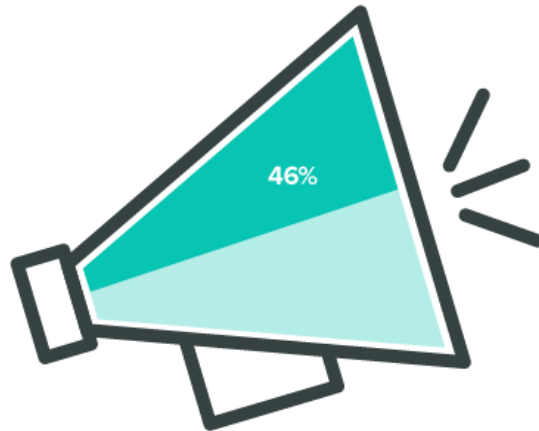
The Prevalence of the Call-out

It's important to point out that social media call-outs are not limited to those that attract national media attention like the recent high-profile examples in the airline industry. While we may only see a handful of these larger, more egregious brand crises each year, smaller scale call-outs are becoming a regular online occurrence. Whether people are uploading a video of a delivery man recklessly tossing fragile packages over a fence or Retweeting an unhelpful response to a simple customer inquiry, everyday consumers are beginning to find their voice.

Nearly half (46%) of people have used social media to “call out” or complain about a business.

Consumers Who Have Called Out Brands on Social

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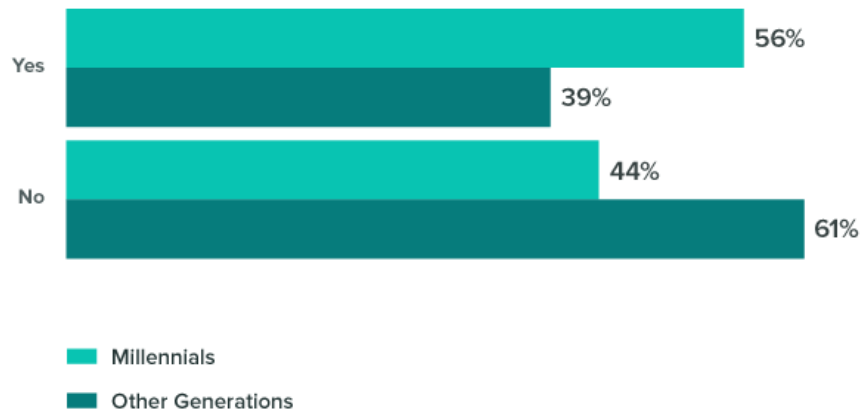
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That number jumps even higher when you slice the data by generation. Unsurprisingly, Millennials are quick to take their frustration to the keyboard—56% of them have complained or called out brands on social. **That means that Millennials are 43% more likely to call out a brand on social media than other generations.**

Consumers Who Have Called Out Brands on Social

Millennials vs. Other Generations

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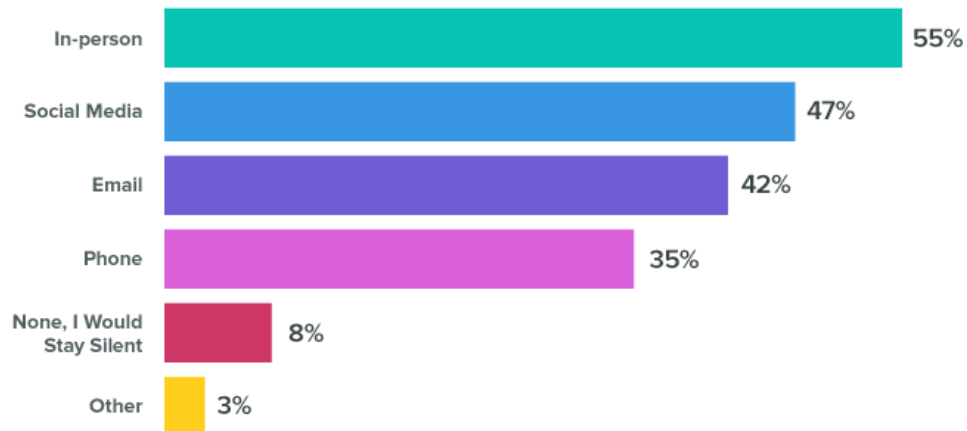
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As so many consumers take to social to call out brands, the medium is second only to in-person as the place to address customer service issues and inappropriate behavior. While 55% of people are likely to say something in-person, social media is close behind with 47%. Email is trailing with 42% and only 35% of people are likely to turn to the phone to air their frustrations.

Even more telling about this era of engagement is the fact that only 8% of people would simply stay silent if they saw inappropriate behavior from a brand—showing that regardless of the medium they choose, consumers feel empowered to take a stand against brands.

Key Channels for Consumer Complaints

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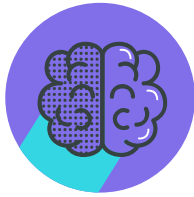
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But when you look at Millennials, the tables have turned: Social is the most likely channel for this generation to voice their concern, with 59% of Millennials saying they'd use social to address an issue. In-person confrontations came in second, with 51% of Millennials identifying in-person interactions as their most likely choice.

Sprout Stance:

As consumer behaviors change and people become more and more willing to take to social to amplify their anger, it is important for brands to be ready. Not every interaction is a crisis, but structuring your team strategically can ensure one doesn't happen. Take a hard look at where you're staffing your customer service representatives. If they're heavily focused on phone support, can you train them on social? Based on your customer demographics, ensure you're staffing the right channels and training your customer service team to deliver equally swift and effective responses across the board.



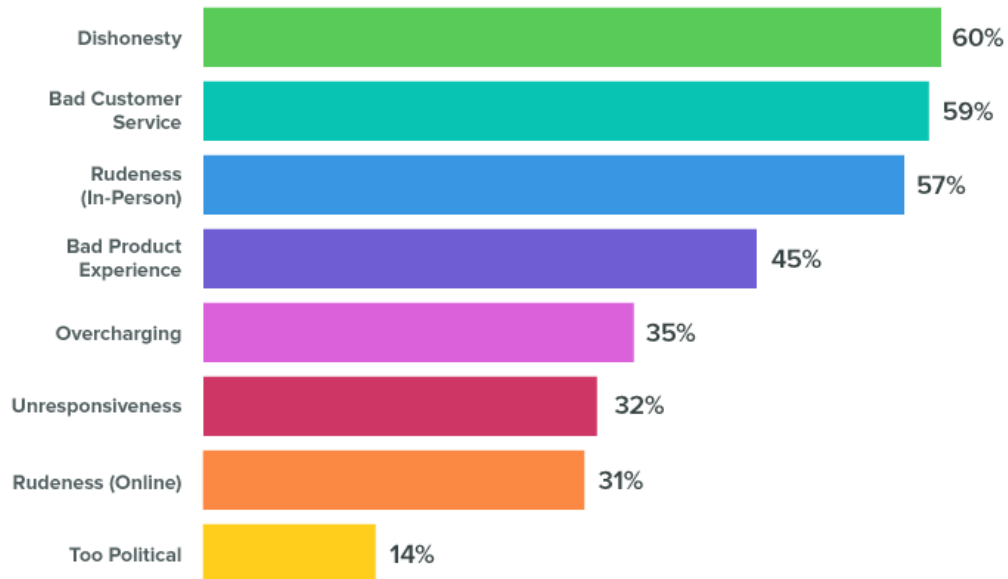
The Psychology of the Call-out

To anticipate a call-out, it helps to understand and identify the potential triggers as well as the motivation behind this trend. Are people looking for restitution? Are they trying to hold brands to a higher standard? Or are they simply acting out of spite? Learning the psychology behind these call-outs may better prepare you to anticipate and preempt your brand becoming a target.

First let's delve into what actually prompts people to take to social to air their frustrations. Dishonesty—a current hot topic in our society—leads the pack with 60% of consumers saying it causes them to call out brands on social. Following close behind are bad customer service (59%) and plain rudeness (57%). While only 31% of people will call out a brand that is rude to them online, the majority who say they will call out in-person rudeness on social illustrate that regardless of where in the customer journey the experience takes place, social is often the consumer's channel of choice to voice their frustration.

Why Consumers Call Out Brands on Social

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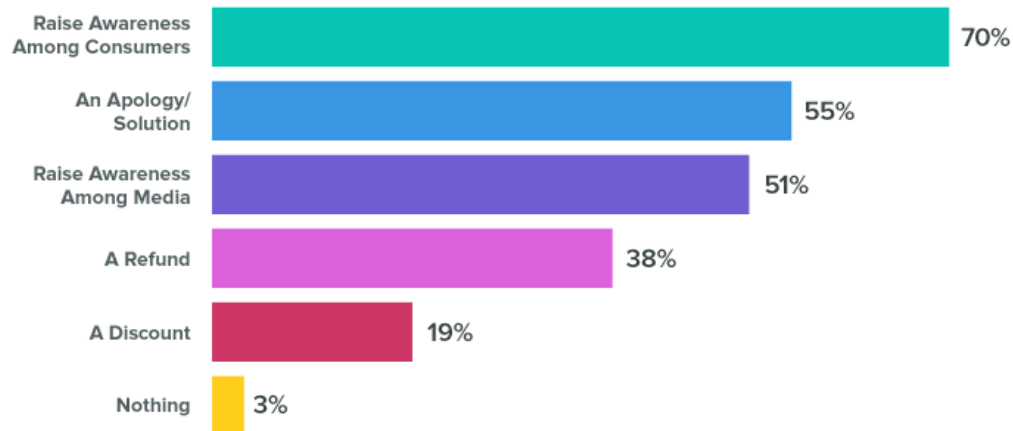
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Once they do call out a brand on social, what are customers actually hoping to get from their complaint? First and foremost, posting on social is about amplifying their anger. **About 70% of people just want other customers to be aware and another 51% want to raise awareness among media outlets—watch out for that evening news coverage.**

But social isn't just a soapbox for people to yell from—54% are using the platform to actually get a response from a business. That's right, they actually want to hear back regarding their frustration. An additional 38% are looking for monetary action from the brand, like a credit or refund.

What Consumers Hope to Gain by Calling Out Brands on Social

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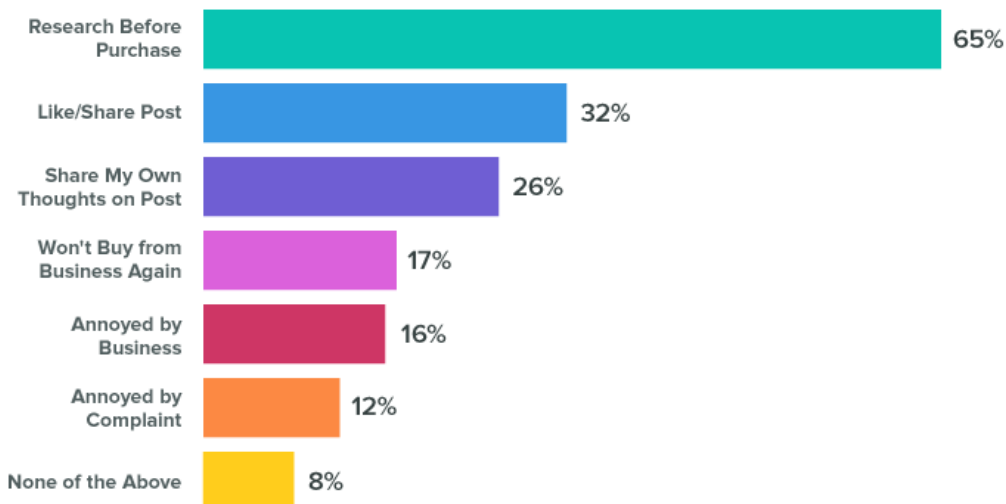
Now that we've established why consumers take to social, let's examine the other side of that post: all the other people who see it. What impact do social complaints have on them and their perception of a brand? As the prevalence of these public displays of frustration increase, do people treat them like just another update in their feed or do they hold the brand accountable?

In the era of fake news, most people aren't making blanket assumptions. In fact, 65% of people said that when they see someone else call out a brand on social, they'll think twice about buying from them again but they want to do their own research first.

However, another 32% said that they'll amplify that message even further by liking or sharing the initial complaint on their own profile and 26% will join the conversation and share their own experiences or options. Unfortunately for brands, 17% of people simply take that call-out at face value and won't buy from you again. And finally, 12% of people are fed up with call-out culture in their feeds and are just plain annoyed with the initial customer complaint.

Consumer Reactions to Other Consumers' Complaints on Social

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Expounding on that last point, we wanted to delve a little deeper into how reading a single bad comment or review on social can impact a consumer's perception of a brand. About 59% of people said they'd think twice about buying from that brand again and 7% said that they definitely won't be purchasing from the brand in the future. However, more than 1 in 5 people said that it doesn't impact their perception of the brand—7% because they think the consumer is just a complainer and 13% because they don't trust comments on social.

Sprout Stance:

Sure, a negative customer experience shared with a potentially global audience can be damaging for a brand's reputation—but there is a silver lining. After a call-out, all eyes are on your brand. Because even though a portion of a customer's intention is to simply air frustrations, a majority of people want to see what type of response, if any, the brand will provide. This means that even in this call-out culture, there is an opportunity for brands to take back control of the conversation with a captive audience. If brands take care in crafting a thoughtful, helpful response to a call-out, not only are they more likely to retain their fans—they just might welcome a few new ones too.

Such was the case when **Samsung** was forced to end production of its Galaxy Note 7 smartphone in October of 2016 after faulty devices began exploding across the globe. As pictures and stories of the damaged phones swarmed social newsfeeds, the company's reputation was called into question. After the recall, Samsung went into full-blown crisis management mode. It released full-page newspaper ads owning up and apologizing for the issue, then launched a series of TV ads featuring engineers discussing the safety and quality testing of their latest product releases. Their commitment to transparency was so great that they even released the results of their investigation into the faulty devices, detailing their newly-instated safety measures to prevent future problems. Despite the initial drop in sales, Samsung's comprehensive response led to their highest third quarter profits in three years.



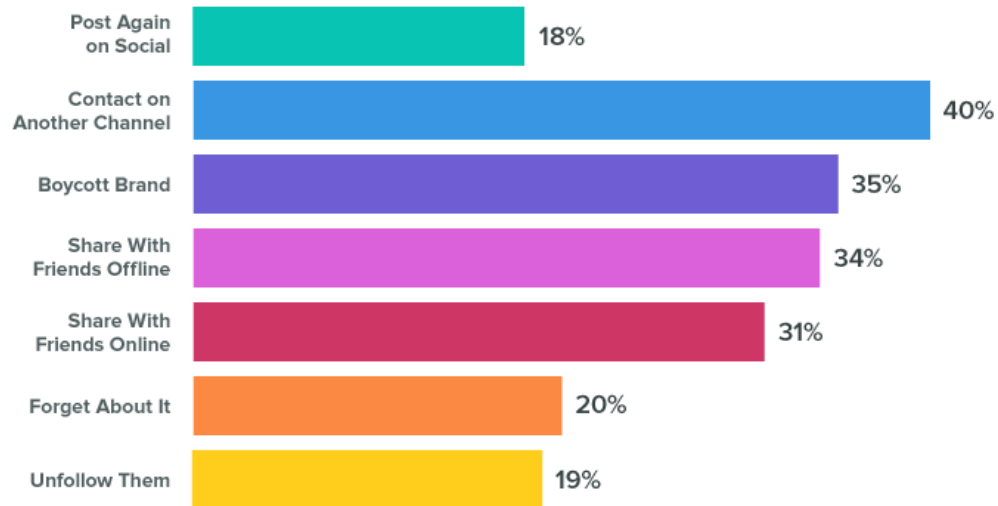
The Power of a Response

We've established that there is an opportunity for brands to make things right once they've been called out, but how big is that window? We've all seen brand engagement gone wrong, whether it is a sloppy reaction from an overwhelmed customer service agent or a carefully crafted but out-of-touch statement from a CEO. How do these responses—or lack thereof—change a consumer's perception of the brand?

First let's take a look at what's better: responding poorly or ignoring a complaint altogether. When consumers complain and get no response at all, 40% say persistence is key—they'd reach out again using another customer service channel like phone or email. However, almost as many (35%) would never buy that brand's product or service again and roughly 1 in 3 would share their negative experience with their network online (31%) or offline (34%).

Consumer Reaction if a Brand Ignores Their Social Complaint

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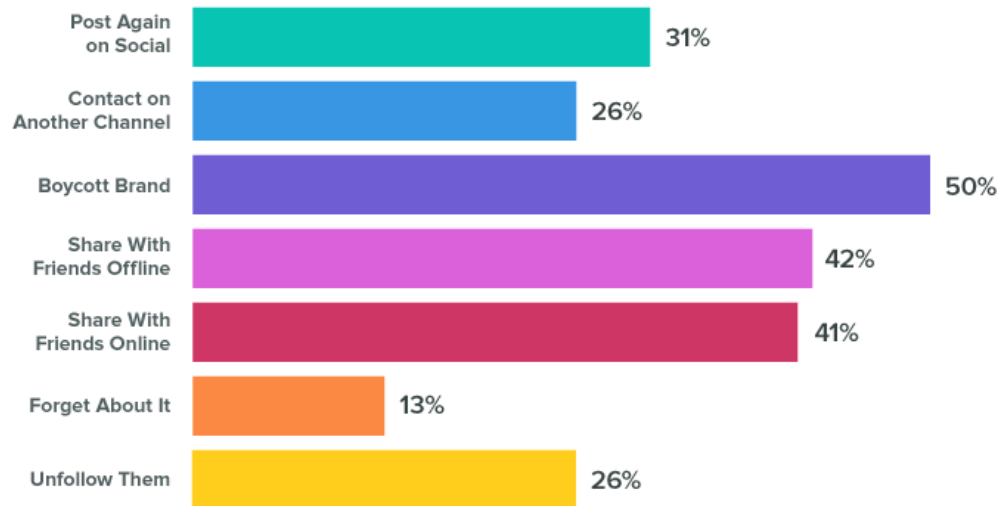
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It turns out that an unhelpful response is worse than no response at all. About 50% of consumers say they'd never buy from a brand again after that brand responds poorly to their complaint, illustrating that **a bad response on social increases the chance of consumers boycotting by 43%.**

Unsatisfying responses on social damage consumer loyalty across the board: After a brand responds poorly, 41% of people would share that experience with their network online and only 26% would reach out to via another channel to give the brand a chance to make things right. That translates to a 35% decrease in the opportunity to win back a customer after a poor response on social.

Consumer Reactions to Poor Brand Responses on Social

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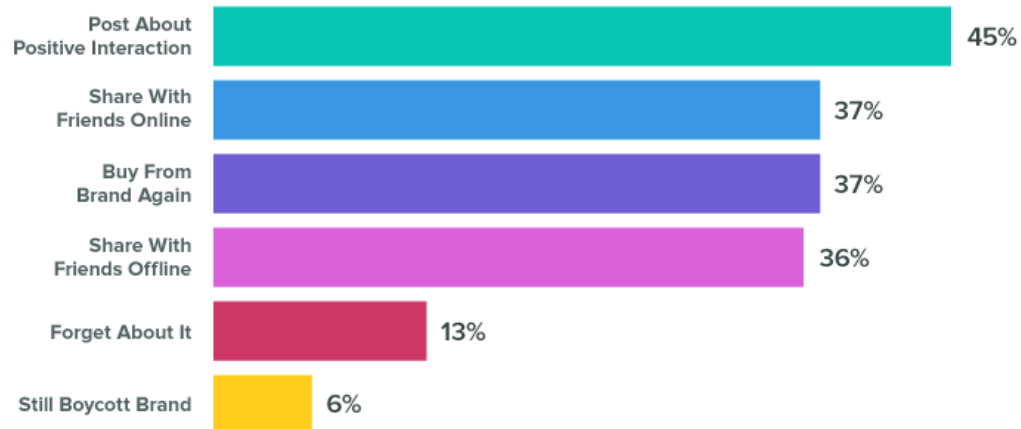
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Now, let's take the opposite approach and say that a brand does respond well to the initial call-out. The change in results is startling. Nearly half (45%) would go back to social media, not to complain but to highlight the positive interaction. **Yes, a helpful response from a brand can quickly turn someone who started out complaining into a positive advocate.**

Furthermore, about 36% of people would share the positive interaction with a friend either online, 37% or offline, 36%. Overall, 37% of people said that they'd buy from the brand again, despite their initial poor experience.

Consumer Reaction if a Brand Responds Well to Their Social Complaint

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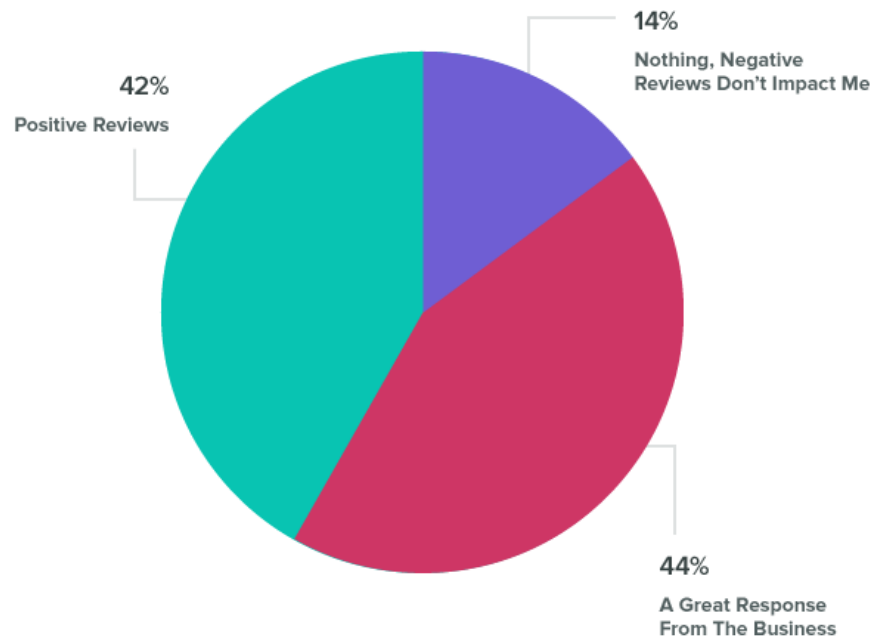
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To drive the point home, when asked what it would take for people to buy from a brand once they've seen them called out or read a negative review on social, 44% of people said that a great response would do the trick and 42% said other, positive reviews could rectify the situation.

What Wins Back Consumers After They See A Negative Social Post or Review of a Brand

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Sprout Stance:

The last thing a brand wants to do in responding to a call-out is to say or do something that will only reinforce a negative narrative. In the instance of United Airlines, it wasn't just the incident on the plane that incited such outrage—it was the airline's initial lack of responsibility and apology. The first few tweets the brand sent out only apologized for overbooking, not the events that led to the mistreatment of the passenger. Furthermore, the tone of the tweets themselves was very matter-of-fact—all business—and lacked the empathy and humanity customers desire from brands during a crisis. The medium was the right choice, as social can provide this type of direct, timely communication. But the message was all wrong.

Consumers want to see brands assume responsibility, speak directly to their customers and apologize when necessary. To show your customers how seriously you take an incident and how dedicated you are to making it right, you may even want to go two steps further than an apology. Take [JetBlue](#) for example. After a week-long operational breakdown led to 1,000 cancelled flights in 5 days, social platforms were rife with angry tweets, posts and comments. In true "Blue" fashion, the airline was swift to issue a public letter of apology on social. In addition, the company introduced a Customer Bill of Rights and presented a detailed list of what the company was offering to the affected passengers. Social chatter around the incident quickly went from frustration to thumbs up.

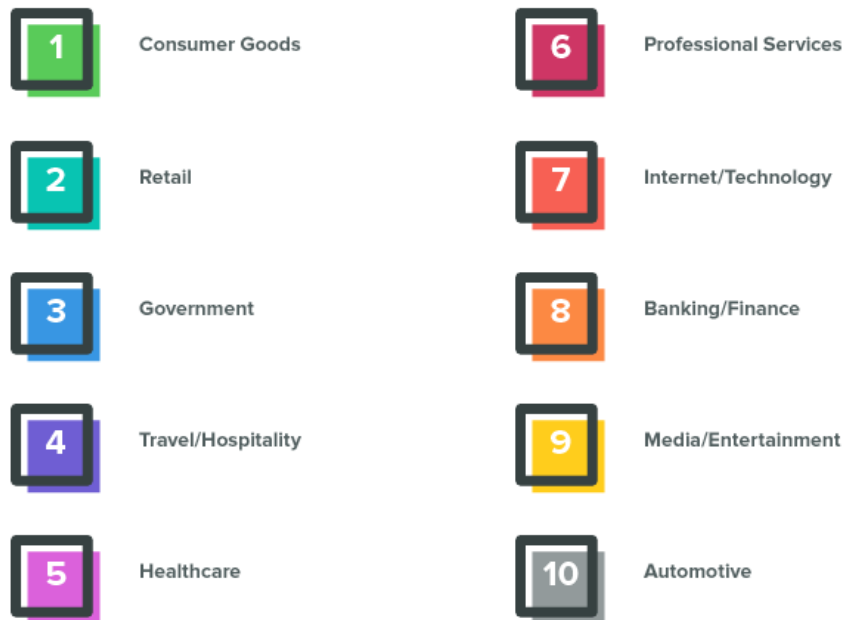


Industry Trends

When it comes to call-out culture, not all brands are equally affected by this trend. Which industries are more prone to customer call-outs and which are perceived to be the worst in responding? The three industries people say they're most likely to complain about are consumer goods (19%), retail (17%) and government (15%). Logical, given that these three industries have some of the biggest impact on consumers' day-to-day, from the clothes they wear to the decisions of their representatives.

Most Complained About Industries on Social

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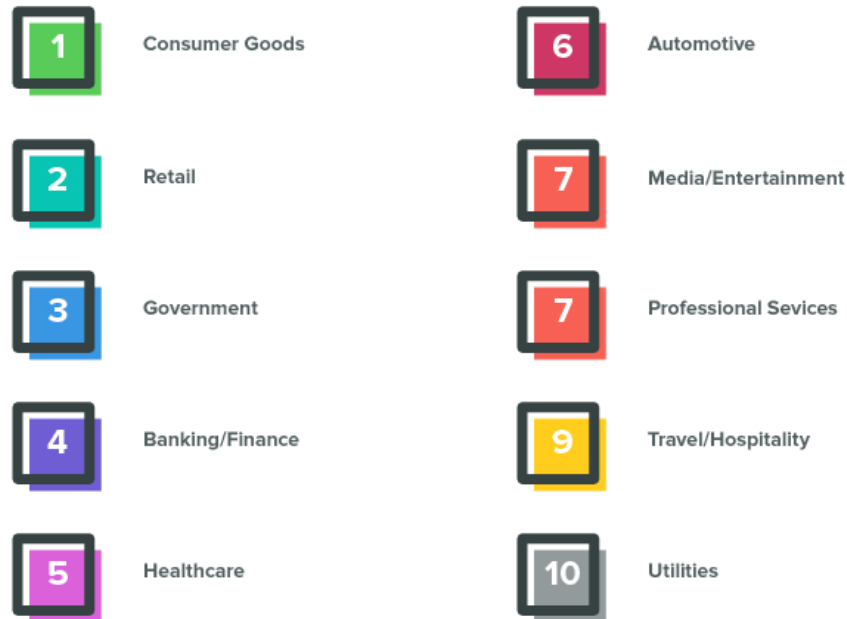
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While consumers also rank CPG, retail and government as the industries in greatest need of help when it comes to customer service, the percentages are comparatively lower: Almost 15% of consumers rank consumer goods (CPG) the industry in greatest need of help when it comes to social customer service, with retail in close second with 13% and government around 12%.

More dramatic disparities show up in banking/finance, which less than 5% of people rank as having the highest potential for complaints, yet almost 10% of people believe could use customer service help.

Industries Consumers Believe Need the Most Help With Social Customer Service

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But how do beliefs about industry social engagement compare to actual performance data?

While people say they're most likely to complain about consumer goods, our data found that people are actually most vocal with government and healthcare organizations on social. Unfortunately for those people, these industries both rank on the lower end of brand responsiveness.

When it comes to retail, expectations and reality seem even further apart. Retail ranks second for industries consumers believe need the most help with social customer service. But in reality, the retail industry's response rate is actually the highest of all industries at 19%—or 64% higher than the all-industry average response rate of 11%.

How do other industries stack up in terms of social responsiveness? The list below ranks 15 key industries, their rates of inbound messages requiring a response and their actual performance in terms of social responsiveness. As a refresher, here's what each metric means:

- **Response Rate:** the percent of consumer messages needing a response that actually get one
- **Response Time:** how long brands take (in hours) to respond to the consumer messages that need a response
- **% Needs Response:** how many messages brands receive on social that require a response (based on Sprout's algorithm, which analyzes identifiers such as question marks, @mentions and keywords)
- **Posts per Replies:** how many promotional messages brands publish compared to how many responses they give to their audience
- **Brand Engagement Ranking:** how responsive brands are to consumers
- **Consumer Engagement Ranking:** how vocal consumers are with brands

Brand & Consumer Index Spotlight by Industry

Q2 2017

Industry	Avg. Response Rate	Avg. Response Time (Hours)	Avg. % Messages Needing Response	Avg. Posts per Replies	Brand Engagement Ranking	Consumer Engagement Ranking
Automotive	12%	13.5	37%	13.5	#8	#7
Banking/Finance	14%	12.3	31%	12.3	#4	#12
Consumer Goods	16%	14.7	38%	14.7	#5	#10
Education	7%	9.9	34%	9.9	#13	#8
Government	8%	10.3	38%	10.3	#12	#1
Healthcare	10%	12.3	41%	12.3	#10	#2
Internet/Technology	12%	11.9	35%	11.9	#7	#11
Marketing/Advertising	11%	13.1	35%	13.1	#9	#15
Media/Entertainment	6%	10.2	37%	10.2	#15	#9
Nonprofit	8%	11.0	36%	11.0	#14	#13
Professional Services	9%	10.9	33%	10.9	#11	#14
Real Estate	11%	11.1	45%	11.1	#6	#4
Retail	19%	10.6	43%	10.6	#1	#5
Travel/Hospitality	14%	11.3	38%	11.3	#3	#6
Utilities	15%	8.6	37%	8.6	#2	#3

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Whether a consumer reaches out with an innocent question or a vicious call-out, brands have to be listening to ensure they have the chance to deliver a meaningful, timely response—before an issue goes viral. While call-outs can serve as vehicles for airing customer anger and frustration, they're also an attempt to keep brands and businesses honest and accountable. The best way for brands to honor that intent—and avert a potential crisis—is to respond by owning responsibility and providing transparency from the outset. When it comes to call-out culture, an ounce of proactive social customer service is worth a pound of public relations cure.

About the Data

The Sprout Social Index is a report compiled and released by Sprout Social. All referenced data is based on 289,000 public social profiles (139,000 Facebook; 115,000 Twitter; 35,000 Instagram) of continually active accounts between Q1 2016 and Q1 2017. More than 3.9 billion messages sent and received during that time were analyzed for the purposes of this report.

Some data may have shifted from the last Sprout Social Index report due to a shift in the social profiles analyzed; however, all overarching trends remain consistent. Industry classifications were based on LinkedIn industry categories. In some cases, closely related industries were merged into a single overarching industry. All messages analyzed that were considered casual mentions or not in need of a response were excluded from engagement, response rate and response time calculations with the intention of eliminating noise. Analysis of which messages required attention was done using Sprout's proprietary technologies. Response time and response rate calculations were done using Sprout's Engagement Reporting technology found in the Sprout Social product.

The consumer survey was conducted by Survata, an independent research firm in San Francisco. Survata interviewed 1003 online respondents between July 10, 2017 and July 14, 2017. More information on Survata's methodology can be found at survata.com/methodology.

For questions about the Index data, please contact pr@sproutsocial.com.